

**Senate Commerce, Labor & Agriculture Committee Amendment NO. 1,
As amended**

Amendment No. 1 to SB1694

**Cooper J
Signature of Sponsor**

AMEND Senate Bill No. 1694

House Bill No. 1416*

FILED

Date _____

Time _____

Clerk _____

Comm. Amdt. _____

By deleting all of the language after the enacting clause and by substituting instead the following:

SECTION 1. Tennessee Code Annotated, Section 62-43-108(b)(3), is amended by adding the following language as a new subdivision (C):

(C) Notwithstanding any other provision of this chapter, the applicant shall obtain a corporate surety bond, in a form and content satisfactory to the commissioner, in the amount of one hundred thousand dollars (\$100,000) or five percent (5%) of the applicant's outstanding liabilities, whichever is greater, as shown by an audited financial statement or financial statement prepared in accordance with generally accepted accounting principles which financial statement shall be presented with the bond. The bond required herein shall condition and secure the principal's honest conduct of its business and compliance with all of the requirements of this chapter and the laws of the State of Tennessee, as well as the rules and regulations promulgated pursuant to this chapter. Any person having a right of action against a staff leasing company arising from non-compliance with a requirement of this chapter or title 50 may bring suit against the principal and sureties of such bond.

SECTION 2. Tennessee Code Annotated, Section 62-43-113(b)(2), is amended by deleting the period at the end of such subdivision and by substituting instead the following new language:

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and, beginning on January 1, 2003, keep separate records and submit separate quarterly premium and wage reports pursuant to title 50, chapter 7, part 4 to report the leased employees of each of its clients by using the client lessee's account number and premium rate.

SECTION 3. Tennessee Code Annotated, Section 62-43-113(c), is amended by adding the following language as a new subdivision (5):

(5) Worker's compensation premiums shall be determined and paid based on the experience rating of the client company for which the leased employee performs services, provided the client company has sufficient worker's compensation premium volume to be experience rated, otherwise the premiums shall be the rate approved for an employer that cannot be experience rated.

SECTION 4. This act shall take effect July 1, 2002, the public welfare requiring it.